

**MINUTES OF THE MEETING OF THE
HAILEY CITY COUNCIL
HELD MARCH 17, 2014
IN THE HAILEY TOWN CENTER MEETING ROOM**

The Meeting of the Hailey City Council was called to order at 5:30 P.M. by Council member Martha Burke. Present were Council members Carol Brown, and, Pat Cooley. Staff present included City Attorney Ned Williamson, City Administrator Heather Dawson, and City Clerk Mary Cone.

Mayor Fritz Haemmerle and Council President Don Keirn were not in attendance.

5:29:53 PM Council member Burke opened the meeting.

5:30:25 PM Gary Brockman, employee moving and leaving the City of Hailey. Burke presents Brockman a service award for the 25 years he has worked, and congratulates him on his dedicated years of service. Brockman wishes the city well. Dawson added that Brockman has more tenure than Heather Dawson.

Open Session for Public Comments:

CONSENT AGENDA:

CA 083	Motion to call Special City Council Meeting for Thursday, March 20, 2014 at noon for the purpose of further consideration of Wastewater Solids Handling Project Bond measure	1
CA 084	Motion to approve Resolution 2014-10, ratifying amendment to TIGER II grant agreement which extends the term of the grant, amends the city contacts, and amends the budget to allow more CE&I expenses and less construction expenses under the grant-paid portion of the project (continued from March 3, 2014).	3
CA 085	Motion to approve Resolution 2014 19 authorizing city officials to sign State/Local Agreement for Community Choices Grant to help pay for \$157,000 in sidewalk and street improvements from middle school to SH 75.....	11
CA 086	Motion to authorize Hailey Fire Department to apply for Grant through State Farm Insurance for youth programs, specifically Fire Explorer Program	35
CA 087	Motion to approve Resolution 2014 20, authorizing mayor to sign Idaho Independent Intergovernmental Authority Trust CITY OF HAILEY, MEMBER, Summary of Material Modification and Amendment No. 2 to Plan Documents for City of Hailey, which re-defines "cosmetic" to align with definitions in the Affordable Care Act.....	39
CA 088	Motion to accept \$147,908.88 bid from Sluder Construction for installation of irrigation lines from Lions park surface water well to Heagle and Hop Porter Parks, and approve Resolution 2014 21 authorizing city officials to sign contract between City of Hailey and Sluder Construction for the work, and to authorize Galena Engineers to issue a Notice to Proceed on this project and conduct oversight of this project	43
CA 089	Motion to approve minutes of March 3, 2014 and to suspend reading of them	63
CA 090	Motion to approve claims for expenses incurred during the month of February, 2014, and claims for expenses due by contract in March, 2014	73
CA 091	Motion to approve Treasurer's reports from February 2014.....	101

CA 085 and CA 088 – Williamson for clarification

CA 087 – Cooley pulls for recusal.

5:34:16 PM Brown moved to approve all consent agenda items minus CA 085, CA 087 and CA 088, seconded by Cooley, motion passed unanimously.

5:34:43 PM CA 085 Williamson points out on page 20 a resolution by ITD, the state resolution is only certification by the city clerk, suggest authorizing the Clerk to sign the document. Williamson suggests that the motion include authorization for the Mayor to sign Resolution 2014-19 and include in the motion authorization for City Clerk to sign ITD resolution.

5:36:01 PM Brown moves to approve agreement and authorize the Mayor to sign and also allow City Clerk to sign the ITD Resolution on page 20 of packet, Cooley seconds, motion passed with roll call vote. Brown, yes. Cooley, yes. Burke, yes

CA 087 – Cooley pulled this item so that he can recuse himself from the motion.

5:36:38 PM Brown moves to approve CA 087, III-A Summary of Material Modification and Amendments No. 2, motion seconded by Burke, motion passed with Cooley abstaining.

CA 088 – Williamson 5:37:20 PM clarified to council the details of this item, that the engineering firm will subsequently issue a Notice to Proceed after the council approves this Resolution 2014-19, but also to have the engineering firm provide oversight as needed and directed by city staff at the early stages of this project.

5:37:33 PM Brown moves to accept bid as shown and authorize Mayor to sign and utilize Galena Engineers as needed for oversight, seconded by Burke, motion passed unanimously.

PROCLAMATIONS AND PRESENTATIONS:

PP 092 Presentation from Hiawatha Canal Company to discuss upcoming maintenance program

5:38:21 PM Dave Cropper representing Hiawatha Canal Company spoke to council. In a Canal Company meeting last fall they discussed canal maintenance and planned on removing vegetation in spring of 2014. Cropper explains the reasons for removing vegetation including allowing the City to utilize water for Woodside Blvd and for the safety of City residents. Cropper is here to ask if the City has ability to provide funds or labor to help with the project. Project costs are estimated at \$25,000. Last fall they marked trees and shrubs for removal, either adjacent homeowners will remove them or the Canal Company will remove them. 52 cfs is delivered into the canal at Starweather, the goal is to run this entire amount through the length of the canal. Clarification, \$25,000 is the total expense for the length of the canal. The Valley Club maintains everything from the south end to the river. 5:47:41 PM Dawson can look at the agreement we have and try to understand if the city is able to help. 5:48:08 PM Williamson asks a question. At 6 pm, at the AmericInn is a meeting tomorrow night, for the Canal Company.

5:51:31 PM Cooley asked what the recharge amount? (how much water is lost by absorption?) Cropper answers within Valley Club about 3 ½ cfs was lost. Cooley asks, whose responsibility are the cottonwoods? Cropper answers, the property owners nearby. 5:53:30 PM Jim Phillips asks a question.

Brown thanks Phillips and Cropper for bringing this information to us.

Platt or Dawson will attend tomorrow night's meeting.

PP 093 Presentation by Hailey Police Department of new Web Page and Nixel

There is no presentation tonight.

APPOINTMENTS AND AWARDS:

AA 094 Appointment to Friedman Memorial Airport Authority (for vacancy of Susan McBryant)

[5:57:05 PM](#) FMAA suggestion by Mayor to appoint Cooley. Brown is in full support of seeing Cooley fill this position. Burke is in support of Cooley but calls out Walt Denekas in attendance at this meeting and asks if he wants to speak.

[5:59:18 PM](#) Walt Denekas speaks to the council. Denekas feels is well suited to serve on the FMAA for Hailey. Denekas is a pilot, and wants to help Hailey. [6:03:26 PM](#) Burke thanks Denekas for his interest and his experience. Burke feels that this seat should be held by a council member. Brown agrees with Burke, as does Cooley.

[6:06:08 PM](#) Brown moves to appoint Pat Cooley to the Friedman Memorial Airport Authority to fill the seat vacated by Susan McBryant by adopting Resolution 2014-22, seconded by Burke, motion passed unanimously.

PUBLIC HEARINGS:

PH 095 Wastewater Treatment Biosolids Project – consideration of 90% design and May revenue bond election.....113

- *Presentation of 90% Design details and costs by HDR Engineering*
- *Discussion of Financial Considerations for Bond by Piper Jaffrey*
- *Consideration of Ordinance No. _____ calling May 20, 2014 Revenue Bond Election and Reimbursement Resolution 2014-__*

[6:07:54 PM](#) Dawson hands out documents to council. These current documents were sent today at 3:30 pm. Then Dawson conferenced in via phone the Engineer, Haley Falconer, with HDR Engineering. Falconer points out that this estimate is the 90% estimate as promised 2 weeks ago in the last council meeting. [6:11:44 PM](#) Burke asks a question of staff. [6:12:43 PM](#) Dawson tells council about a conversation that she and Falconer had today. HDR had been asked to break out the estimated \$700,000 from the last estimate amount to allow another engineering firm to do oversight during construction. In so doing, HDR had assumed that a local engineer may perform field services inspections. The \$40,000 has been removed from the numbers that Falconer is presenting now. After some questions and discussion, council wishes to leave the \$40,000 amount in the estimate, as **specialty** inspectors may be needed, Falconer will make the change and send update forms to Dawson. Then the conference call with Falconer was disconnected.

Dawson introduces Piper Jaffray representatives.

[6:18:41 PM](#) Dawson introduces Eric Heringer and Michael Keith with Piper Jaffray, formerly Seattle Northwest Securities. Heringer discusses his information as per the latest HDR estimates. Heringer gives a history of his past involvement with the City including the Rodeo Park bond and the City's Wastewater bond in 2001 and 2012. Existing bond holders want to make sure their security interest is not diluted. Municipalities can incur more debt through bonds but the new bond must not dilute the old bond by using the same revenue, Heringer explains that certain limitations that must be met based on the 2012 bond documents. Heringer names 3 requirements that must be reviewed are; 1) The coverage requirement, 2) the debt service reserve, and 3) the additional bonds test. In the document that Heringer provides to council, page 114 of packet, these 3 requirements are titled; 2012 Bond Wastewater System Net Revenue Coverage Requirements, 2012 Bond Reserve Requirement, and 2012 Bond Parity Requirements. Heringer first discusses the coverage requirement – the City is required to maintain Net Revenues of the Wastewater system sufficient to provide 1.25 times coverage on outstanding parity debt. Next, Heringer discusses the amount Hailey city has set aside in reserve. At the time of the issuance of the 2012 bond the City funded a reserve of \$208,500 in the Wastewater System funds. The reserve will increase but these figures are probably not in the numbers that HDR Engineering quoted you tonight. This reserve can be set aside in the bond. Heringer also mentions that Idaho Bond Bank would need to issue the bond to get a lower interest rate and higher rating, at a fee of approximately \$120,000. Between now and Thursday's special meeting, these numbers need to be incorporated into HDR's estimates. Existing bonds pay off in 2021, then the new bond is being paid off. Lastly, Heringer then compares the numbers to show that the reserve needs to be at least 1.25 times to satisfy the additional bonds test. [6:38:11 PM](#) Dawson spoke with the auditor and he is willing to remove the \$109,000 out of the operating line item, validating what Heringer is stating.

[6:41:21 PM](#) Cooley asks a question about the new reserve. Can it be funded by the Wastewater fund? Is that wise? Heringer confirms, yes you can but you are restricting those funds until the bonds are paid off. Heringer further clarifies, if you don't need that money for anything else, great. But if you need those funds, then you might consider financing the reserve amount. Dawson recommends not using the Wastewater fund as the reserve.

In response to a question asked by Mary Cone, Heringer confirmed that this bond will be callable after 10 years, allowing the city to pay it off if revenues are higher than expected and can refinance.

[6:55:18 PM](#) Heringer summarizes decisions he is looking for from council; whether the council wants to add the reserve amount to the bond cost or whether they will use Wastewater funds as the reserve amount and the length of the bond, 20 years or 23 years.

[6:56:45 PM](#) Dawson restates that these are the concepts we are dealing with, but not the final numbers as discussed tonight. The Hawley Troxell documents will be changed for Thursday's meeting.

Council discusses what they would like to see in anticipation of Thursday's meeting. [6:58:30 PM](#) Brown wants to include all the numbers discussed tonight about \$6.2 million and 23 or 24 years for the bond timeframe. Cooley and Burke are in agreement with Brown. Williamson asks what Wastewater rate increase amount would the council tolerate, Brown, \$1.00, Burke thinks \$2 to \$3 is tolerable, Cooley is okay with \$3.

Public Comments:

[7:01:38 PM](#) Henno Heiture Hailey resident speaks to council. Heiture would like to see only about \$1 increase in the Wastewater rates.

[7:02:35 PM](#) Winn Weaver speaks to council. Weaver suggests that if you (council) communicate a rate increase of say \$2.50 and that increase includes the cost of expansion, or cost of money losing its value, it might be a selling point.

[7:03:50 PM](#) Bob MacLeod no increase would be more palatable to the public than any amount of increase. MacLeod thinks your best chance is no increase.

[7:04:55 PM](#) Austin suggests putting a suggested amount of the increase. Williamson responds to Austin's comment.

[7:07:12 PM](#) Carol Brown asks if Thursday's meeting can start earlier? Maybe start at 11:30 instead of noon, it would help since Brown has to end her involvement in the meeting at 12:25, due to another commitment.

After some discussion regarding this meeting time, it was decided that the council needed to revisit the Consent Agenda item calling for a special meeting on March 20, 2014.

Consent agenda revisited:

[7:09:52 PM](#) Burke pulls CA 083, which council previously approved in the meeting, to entertain a motion to amend it at this time.

CA 083 - Brown moved to amend the March 20, 2014 meeting time to 11:30 am, Cooley seconds, motion passed unanimously.

PH 096 3rd Reading ord. No 1144 – Noise Ordinance and Approval of Summary of Ordinance 1144

Public Comments:

[7:11:48 PM](#) Henno Heiture spoke to council. Heiture thinks that from a logistical standpoint, it doesn't make sense to manage for the Hailey Police. Heiture thinks 90 decibels is low and believes this ordinance needs more tweaking.

[7:17:51 PM](#) Burke asks if we should put ordinance in place and reassess this fall after a full season of it in place. Burke and Cooley are in agreement with this approach.

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Brown asks a question for clarification, the 90 decibel (dB) level was initially set with last year's noise ordinance right? Gunter confirmed yes 90 dB measured at the property line. So this dB level is important to be applied by property because of the sizes, locations and areas of certain events. So based on this, Brown looks at page 135 of packet, item 5, 3rd line, measured at the property line, should add "to be determined by Hailey Police Department." After some discussion, Brown does not want to change the ordinance, at the 3rd Reading.

7:23:07 PM Burke moves to approve Ordinance No. 1144, authorize 3rd reading by title only, approve summary of Ordinance No. 1144, motion seconded by Cooley. Motion passed unanimously.

7:23:44 PM Burke conducts the 3rd Reading of Ordinance No. 1144, by title only.

NEW BUSINESS:

NB 097 Discussion of 2013 Annual Report for the Hailey Urban Renewal Agency for activities during calendar year

7:24:56 PM Micah Austin presents the annual report to council, covers calendar year activities and summarizes highlights of the year, including completing the eligibility report, public outreach and completion and adoption of the Urban Renewal Plan.

OLD BUSINESS:

OB 098 2nd Reading ord. no. 1145, amending Wastewater rates for new occupants of condos and tenants moving between houses within Hailey

7:28:01 PM Burke conducts the 2nd reading of Ordinance No. 1145, by title only.

OB 099 2nd Reading ord. no. 1146, amending development fees for permanent signs, portable signs, and developments within the floodplain that have no substantial impact

7:29:00 PM Burke conducts the 2nd reading of Ordinance No. 1146, by title only.

OB 100 2nd Reading ord. no 1147, Build Better Code Amendments

7:30:00 PM Brown conducts the 2nd reading of Ordinance No. 1147, by title only.

STAFF REPORTS:

7:31:21 PM Austin gives council an update House Bill 480, was the "anti Design Review Bill" passed the House, and the Senate Local Government Committee passed it, but Speaker of the Senate will not bring it to the Senate for a vote. So, it will be tabled when Senate session ends.

[7:33:20 PM](#) Cooley asks about the letter regarding the street light retrofit complaint. Platt discusses what the action will be by the city. There is no requirement that the light remain there according to the ordinance.

Brown would like to see if all neighbors would want it to be removed. Platt and Brown discuss options. Burke would like to find a solution without taking the light out.

EXECUTIVE SESSION: Pending & Imminently Likely Litigation (IC 67-2345(1)(f))

[7:39:24 PM](#) Cooley moves to go into Executive Session to discuss Pending & Imminently Likely Litigation (IC 67-2345(1)(f)), seconded by Brown, motion passed with roll call vote. Brown, yes. Cooley, yes. Burke, yes.

Council came out of Executive Session and concluded the meeting at 7:45 P.M.